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Induction Procedures for New Employees

WHEN production curves turn upward and the accession rates rise sharply, there is always an increasing interest in developing effective methods for introducing new employees to an organization. The attention which the present expanding payrolls would normally bring to this phase of management is amplified by the increased recognition of the importance of employee morale to efficient production.

During the last few years, many techniques have been developed to build organizational morale by giving all employees a more complete understanding of managerial problems. From the experience of those companies that have had the richest experience in this field it has become apparent that a program which begins later than the first hour of employment starts under a handicap. First impressions, whether trustworthy or not, are lasting. Misunderstanding of the motive behind a plant regulation may lay the basis for a non-cooperative attitude. Failure to give a clear understanding of company policies may mean the difference between a creative employee and a routine worker. The sum total of the effect of the first impressions of all employees has been recognized as one of the most important factors that contribute to the morale of the whole organization. As a result, not only more time and money are being spent on designing effective induction programs, but the purpose of these procedures has been broadened and extended. Where formerly the sole aim was to acquaint the new employee with the work routine and the plant regulations, today, in many companies, the induction procedure introduces the man not only to his job, but to the entire organization; its purposes and policies.

In the work of redesigning induction programs to meet the changing industrial conditions, the opinions of companies that have had experience in the field are invaluable. The following discussion of some of the key points is the result of an analysis of company programs and of interviews with those who planned the procedures. As a summary of the thinking of several organizations, it may be useful to those who are outlining an introductory procedure for use in their own companies.

DEFINING THE PURPOSE

Among companies that have had the greatest success there is unanimous agreement on the importance of defining clearly, in a written statement, the objective that it is hoped will be attained. The purposes of induction procedures naturally vary enormously in different organizations. They probably would not all be effective if they were all alike. Since the character of each industrial unit is different from its neighbor, the purpose of each method of orientation, if it is to be effective, must be different. Company A, with a highly centralized and depersonalized pattern of organization, would make a serious mistake if it adopted the induction objectives of Company B, in which the production units are decentralized and the work relationships consciously personalized. The effective introductory program is one which adjusts the individual to the company organizational pattern in which he is to work, and the written purpose safeguards that objective both during planning and in application.

As soon as an effort is made to write a definition of purpose, it becomes apparent that the needs of various

types of employees differ to such an extent that the company will probably require not one introductory program, but several. The potential salesman, apprentice, production engineer, stenographer, skilled mechanic and research worker all are new employees and their orientation needs have something in common, but there are also many differences. It would be ineffective induction to give them the same program. Similarly, an applicant who will probably be with the company for the rest of his life and one who will probably be laid off on a seasonal basis are both new employees. The same introductory method, if applied to both, would, for one of them, either be inadequate or unnecessarily detailed. A careful definition of the objective that is worked out as the first step in planning and that takes into consideration both the company characteristics and the needs of the various types of new employees serves both as a guide in designing the program and as a clear explanation to those who are to have a share in the work of induction.

OUTLINING THE CONTENT

The defined purpose is the criterion for decision as to what subjects shall be included in the outline of contents. Depending on what the company wished to accomplish, various combinations of the following subjects have been included in induction programs. The list represents a cross section rather than the content of any one program either of one company or for one type of employee.

1. History of the Company—a description of the founding and development of the organization.

Where individuals have played an important part, their biographies are treated in some detail. If the company has more than one operating unit, the history of the one in which the employee is to work receives more attention. In like manner the history of the phase of the business in which the man or woman is to work (sales, production, research, etc.) is dealt with in more detail than are the others. Often, in presenting the history of the company, its growth is tied in with national events or particular advances in industrial progress. References are often made to the progressiveness of the company's industrial relations policy throughout its history. The opportunity is taken to emphasize the contribution that the system of individual enterprise has made to national progress.

2. History of the Product—a discussion of the needs which made the founding of the company possible and the changes that have taken place in the product over the years.

The material is usually presented in such a way that the service rendered by the company to community life is apparent and gives the new man a sense of the useful-

ness of his future occupation. The story of the continual improvement of the product and the inclusion of new products in the line helps to suggest the need for a constant stream of creative ideas and gives an opportunity for encouraging the man to think creatively as he learns his new work. At the same time, the nature of the subject gives an opportunity to make the production employee conscious of the sales position of the company and its dependence on marketing conditions.

3. Company Organization—an outline of the present manufacturing, distribution and clerical organization.

The contribution of each department to the whole organization may be described with particular attention to the work to which the employee is to be assigned. In many cases an effort has been made to identify individuals throughout the company and especially those that are to be directly related to the man in his work. A particular emphasis on the cooperative character of all industrial enterprise is reported to have helped in the elimination of departmental friction.

4. Industrial Relations Policies—a presentation of the company policies in regard to employment compensation, promotion, and all other phases of the employer-employee relation.

In many cases, this is a review of policies which have been expressed by the company as a code of basic principles. The material offers an opportunity to give the employee not only factual information but also the sense of confidence that comes with the realization that a work relationship is supported on a foundation of carefully defined principles.

5. Employee Activities—a discussion of all plans or organizations established by or for the employees.

Under this subject are included descriptions of insurance, group health and pension plans, recreation activities, union affiliations, educational opportunities, social clubs, cooperative purchasing and all other programs that the new man may come in contact with as an employee. A clear understanding of the company's relation to each of these plans or organizations avoids the misunderstandings that break down employee morale.

6. Company, Plant and Departmental Regulations—an explanation of the rules that have been adopted to insure creative cooperation.

The new man needs to know exactly what is expected of him in regard to working hours, how he should report in case of sickness, to what extent plant information is confidential, his relation to patent agreements and any other organizational rules. The new man, if care has not been taken to give a full explanation of regulations, may through ignorance find himself in situations that are

unpleasant for him and destructive in terms of supervisory relations. Companies have found that explanations in advance cost less in time, money and personal feelings than do corrections of mistakes made through ignorance.

7. Safety—a description of the accident hazards of the work to which the employee is to be assigned and of the correct procedure in case of accident.

In some companies this subject in the induction procedure is divided under three heads: plant, department and job hazards. Because of widespread recognition of the cost of failure to give information on safe working practices, almost all companies give some sort of instruction during the first days of employment. At the same time there is an opportunity to describe the medical facilities available and to give suggestions on safeguarding health under normal working conditions. Companies have found that the accident rate of new employees during the first weeks can be considerably lowered by detailed instruction in the induction period, and that absenteeism can be reduced by emphasis on techniques for care of health.

8. Job Routine—An outline giving specific information on the details of the daily job routine.

Many companies have combined the miscellaneous items that are important both for personal comfort and a smooth running organization. The list might include information on parking arrangements, plant passes, location of time clocks, lockers and washrooms, restaurant facilities, method of requisitioning tools and any of the other many details that a new man should know about the organization he is entering. The purpose of giving this information in an organized form is to save time, for it has been noted that the sooner an employee adjusts himself to his surroundings so that he no longer feels strange, the sooner he will be able to give his full attention to his work.

The reports of companies would indicate that there is as much danger in giving too much information during an induction period as there is in not giving enough. It is probably destructive in terms of individual morale to explain the whole picture to a man whose work with the company is to be of a very routine nature over a short period of time. The adjustment might be done so well that the termination of employment would create bitterness detrimental to public relations. Too much information may give, unintentionally, too optimistic a conception of the future possibilities of the job. On the other hand, companies that intend to employ a salesman on a life basis make an intensive effort to give as full a picture as possible during the induction period, since his work is to be of an isolated nature. The best results seem to have been produced when the subjects

have been selected so that they fulfill a defined purpose for a specific type of employee.

SELECTING THE METHOD OF PRESENTATION

Again the defined purpose serves as the criterion of selection. In companies that wish the new employee to feel a personal relationship with either the immediate supervision or the top executives, the conference, interview or lecture technique is usually chosen. Since an interview gives more of an opportunity for the sense of security that comes from an individual relationship, it is usually used where possible. Where the size of the group places a time limitation, both the conference and the lecture methods have proved effective.

Written material is by far the most common medium in use at present. Many companies have booklets specifically designed for new employees. They range in content from a complete treatment of all the subjects mentioned above to a very simple list of rules. One company begins its booklet with a brief history of the company and continues with a discussion of policies, rules and regulations, an outline of essential information needed for the daily routine and an organization chart giving the names and titles of key men. The manual concludes with a description of the work of each department that is so detailed that in many cases individual job responsibilities are defined. Another company approaches the problem by stating nineteen basic policies and then gives a detailed description of the company activities through which the fundamental principles are put into practice.

Some companies have adopted a technique that gives greater flexibility by issuing a number of small pamphlets, each of which is devoted to one phase of the introductory material. One folder states the policies, another outlines the rules and regulations, a third gives a sketch of the history of the company and others describe the various security plans, employee activities, safety suggestions and give essential information. The division of the material makes possible any combination that will best meet the individual or group needs without giving information that is not applicable.

Plant trips are included in many procedures so that the new man can see the exact relation of his department to the other organizational units. Both sound slide and moving pictures have been used to describe the history, present work and employee activities of the company.

In most organizations that have had some experience in the field, the method used is a combination of several techniques. Written material is interpreted in an interview, films are explained and amplified, group meetings are followed by personal conversations. The greater the need, the more detailed is the treatment. According to the complexity of the problem, the company introductory methods range from the employing interview in which a booklet is given to the new man, all the way

up to programs of classes, meetings and trips that take the new man into all phases of the organization's work.

SELECTING AND PREPARING THE LEADERS

As induction procedures have become more formalized and the treatment more comprehensive, the tendency has been to increase the number of people sharing in the leadership. In many companies not only the foreman and the employment manager help with the induction, but also superintendents, safety directors and employees representing the various employee associations are asked to cooperate. In many companies, executives from the upper level meet all new employees through group meetings. The president of one organization of about 700 employees arranges an interview with each new man or woman during the first weeks of employment. The decision as to who shall be given induction responsibility depends on the purpose of the procedure. The supervisory or executive relation with the employees can be strengthened by letting several members of the supervisory force help to put the new man at ease during the first days. Confidence in the company can be built into the individual morale by letting the right man say the right words. If the new employee can be made to feel that somebody fairly well up in the organization realizes he has been employed and is interested enough to take time to speak with him individually, or in a group, his sense of security is immeasurably strengthened.

Company experience indicates that a division of introductory responsibility makes some sort of guiding outline for the leaders almost essential. Without it there is an inevitable danger of duplication and omission. Where the foremen or selected employees have a share in the procedure, they seem to appreciate and need some guidance in the best methods of carrying out the procedure. Subject outlines are prepared indicating the part of the material that is to be discussed by each leader. Suggestions are made as to the need for placing and timing the interview so that it will not be constantly interrupted. The necessity for giving plenty of opportunities for questions is stressed and emphasis is laid upon the value of a friendly, interested attitude in putting the new employee at ease so he can listen attentively. In foreman training programs and in special coaching classes for induction leadership, practice interviews may be held to demonstrate effective methods.

The experience of companies makes it apparent that the effectiveness of an introductory program is entirely dependent on the effectiveness of those who assume the leadership. The most carefully planned program and the clearest instruction guides are, at their best, only aids. In the last analysis, the individual employee's reaction to the procedure is due as much to the way the material is presented as to the content. Leader

training which furnishes adequate outlines, but gives no help in developing the techniques of presentation may endanger the effectiveness of the whole program. For the period of induction, the leaders are, for the new man, the company. The impression they make upon him is the "first impression of the company" upon which will be formed his "employee attitude."

TIMING

One of the factors which has received inadequate attention is timing in the presentation of material. The amount of information that any individual can absorb in a short period of time is limited. After the point of saturation is reached, the best presentation becomes a blur of words and ideas. Then too, there are some types of information that are best understood after the employee has had a little experience in the organization. If all the introductory procedure is carried out on the first day, the program will be hindered both by the handicaps of fatigue and inexperience.

To overcome this difficulty, some companies have experimented with a technique of scheduling the various phases of the introductory work over several days or weeks. Such a plan permits a control of the amount and type of information given so that the new employee receives it when he needs it most and in small enough sections to be absorbed easily. The plan also makes possible more group presentations of general information by combining all employees who have been added to the payroll over a period of a week.

FOLLOW-UP AND EVALUATION

As in all training programs, the necessity of some follow-up and evaluation technique has been found to be not only valuable but essential. Those who planned and are directing the procedure must have some way of knowing if the content of the material is adequate, if the form in which it is presented is the best for the organization, if the method is meeting the need and if the leadership is effective. The problem is one of designing a technique that will indicate to what extent the purpose as defined in the beginning is being fulfilled in actual practice.

Oral or written true and false tests or any other form of quiz serves as a check on the amount and accuracy of the information absorbed. While the examination method is not appropriate in all situations, it does have the added value of stimulating attention during the procedure. Brief written comments by the leaders, or by selected new men, indicate where the program might be strengthened. An experienced observer from outside the company often makes a contribution that gives a fresh point of view. The clarity of the explanation of rules, regulations or job details can be checked by the number of the mistakes that are made.

Evaluation of the attitude created is more difficult and equally important. Several companies and service agencies have used anonymous questionnaires to measure employee attitude. This technique has proved effective and does give an objective indication of the impression received by the new employees. A survey of grievances, with special attention to those created by misunderstanding, may indicate where there is need for greater clarity or greater detail. An interview scheduled after completion of induction by someone who has not previously participated in the program gives an opportunity both for follow-up and for evaluation of the attitude created. The methods used range from a request to the employee asking him to sign a statement that he has read the material, to very comprehensive evaluations of results in terms of facts learned and impressions received. In whatever way it is approached, the net result is an indication of the extent to which the procedure has accomplished its purpose. As one personnel director has phrased it, "Without some method of evaluation, we would feel we were flying in a fog without instruments. The technique shows us how much progress we are making toward the destination we want to reach."

AN INDUCTION PROCEDURE

The above discussion has been concerned with the general pattern of induction as reflected from many companies' experience. All the suggestions would not be applicable to all introductory programs for all types of employees in all organizations. Similarly, the following description of a program used by the Western Electric Company is not included here as a suggested model for all types of induction, but rather to indicate how one company approached one situation. This particular procedure was designed for production workers in one of the plants.

Definition

The induction of a new employee to his job is that part of Job Training which consists of introducing him to his new surroundings and acquainting him with the things he needs to know about working conditions, relations with other employees and Company rules and regulations. It does not include instruction on how to perform his job, which is another distinct phase of Job Training.

Objectives

1. To introduce the new employee to his job surroundings and acquaint him with working conditions and Company regulations.
2. To foster a close relationship between him and his supervisor, and to create in him a favorable attitude toward the Company.

Method

The information referred to in Objective 1 is outlined below. It is to be imparted by interviews and frequent checkups by one or more of the new employee's supervisors over the first few weeks.

Some of these interviews are of such a nature that they must be handled individually, although at times when hiring activity is high, much of the information in the outline could be given to groups to save time. The exact method of handling and presentation must be left to each supervisor's judgment.

It is especially important that during the induction period the new employee be treated in a friendly and considerate manner in order that the relationships and attitudes referred to in Objective 2 may be attained. If these contacts are properly handled, and continued after the employee has passed the induction stage, he will be more quickly and completely assimilated into the organization.

Procedure

FIRST DAY

1. Upon reporting for work the new employee is interviewed individually by the supervisor who gave final approval to his selection, usually the section or department chief. This should not be delegated to anyone whom the employee has not met or does not know. The following items of information are to be covered:

Getting to and from work

- Inquire how he came to work and whether he had any difficulty.
- Tell him what gate to use in entering the plant, and the best way of getting to his place of work.
- Offer advice and information, if needed, regarding bus, railroad or auto routes.
- If he plans to drive, explain parking facilities and regulations.

Hours of Work

- Explain again his hours of work:
- Time of starting and quitting
- Lunch period
- Whistles
- Hours per week

Pay

- Explain again the details of his pay:
- Rate, basis of payment (hourly, weekly, piece work, etc.)
- Day, hour and place he will be paid for each week's work.
- Explain method of payment (cash or check). (More about pay later on).

2. Hiring supervisor shows him where he will work (desk, bench or machine) and introduces him to his first line supervisor and to all fellow workers he will come in immediate contact with. Turns him over to the first line supervisor who covers the following:

Locker

- Show him his locker.
- Give him his key and show him how the lock works.
- Have him sign card for the key.
- Explain about charge for lost keys.
- Caution about keeping locked and explain risk of owner for loss.
- Tell how to report theft.

Wash Room

- Show location, and tell him about rule on washing up.

Time Clock (Wait until next day if card has not been received).

- Show him his clockcard.
- Show him how to register.
- Tell him when to register (in and out).
- Tell him about putting card in right place in rack.
- Mention penalty for lates and failures to register.
- Warn him against registering for another person.
- Tell him to see supervisor in case of any irregularity.

Smoking

Tell where permitted.

3. First line supervisor turns him over to the Unit Safety Supervisor, who schedules him for the next talk on Safety and Accident Prevention.

4. First line supervisor turns him over to the instructor for job instruction.

5. Before lunch, first line supervisor covers the following:

- Location of nearest restaurant and lunch counter.
- Tell about noon-time recreational facilities.
- Arrange for a fellow employee to accompany him first day.

Tell him that whenever he wishes to bring his own lunch he may eat it in the cafeteria. Before noon, it must be kept in locker, not at work location (to prevent possible contamination by poisonous substances.)

6. Before quitting time the hiring supervisor returns to inquire as to his progress the first day; brings him his pass; explains the following:

- Purpose of pass.
- What "E" number is.
- What to do if pass is lost or left at home.
- Proper person in Department to call in case of absence.
- How to put through the call.

SECOND DAY

1. Sometime during the second day the hiring supervisor interviews the new employee (individually or in groups) to cover the following:

More about pay

- Overtime and holidays.
- Explain how adjustments are made.
- Tell about rule prohibiting assignment of wages.

Medical Service

- Reasons for requiring physical examination.
- Facilities in case of injury or sickness while on job.

Absence

- Intended absence must be arranged with supervisor in advance.
- Unforeseen absence should be reported to the Department as soon as possible.
- Repeated unexcused absences may result in dismissal.
- Four successive days' absence without explanation will be regarded as having left the company.

Leaving early

- When permitted.
- Special pass required.

Package Pass

- Special pass for taking out personal property.
- Inspection by Department Chief.

Medical Pass

- To hospital, or in and out of plant, in case of sickness or accident.

Personal Business

- None on Company time except by permission.
- No selling tickets, etc.
- No visitors.
- Receiving personal mail in care of Company discouraged.

Miscellaneous Department Rules

- Washing up.
- Windows and doors.
- Lights.
- Fire Drill.
- Etc.

THIRD DAY

1. Hiring Supervisor again interviews his new employees individually as to their progress and how they like their work. In groups, if desirable, he covers the following:

Organization

- Explain departmental organization chart.
- Gives names of supervisors.
- Explain in a general way what the department does and its place in the Works' set-up.
- Explain in a brief general way the Works' organization.

Cashing Checks (Office employees only)

- How a check must be made out.
- Limit of amount of each check.
- Indorsements.
- Where cashed.

Change of Address

- Notification required and reason.

Change of Marital Status

- Notification required and reason.

2. Calls attention to the Benefit Plan booklet given him by the Employment Department and tells him this plan will be explained in a later interview.

3. Assures the new employee he can come to his supervisor at any time with any question regarding his job or working conditions.

REMAINDER OF WEEK

1. Hiring Supervisor checks closely with the new employee as to his progress and how he likes his work. (This is an opportune time to give the new employee all the encouragement possible.) Tells him it is not yet time to worry about quantity, but rather to pay attention to quality. Reviews the quality performance set-up of the department and points out the employee quality performance records being kept.

SECOND AND THIRD WEEKS

1. Hiring Supervisor explains the following Company policies and activities (preferably to groups):

Vacation plan
Benefit plan
Insurance plan
Upgrading plan
Periodic Rate Review
Credit Union
The Employees' Club
Recreational and social facilities
Information on educational opportunities
Stores
Evening School

2. Continues to make a close contact with the new employees individually and constantly reviews with each his job performance and progress.

The men who are to be responsible for the induction program receive help through coaching groups that give additional information and suggest effective methods of presentation. In addition to the outline of procedure given above, each leader has a detailed instructor's outline that indicates the particular points that should be emphasized. As aids in training, folders and booklets have been printed, such as "Western Electric and Its Place in the Bell System," "The Story of Western Electric," "Plan for Employees' Pensions, Disability Benefits and Death Benefits," "Employees' Ready Money and Savings Plan," "For Your Information." Together, the booklets cover all phases of the organization's work and its employee activities.

It will be noted in comparing this particular induction procedure with the general pattern described above, that certain characteristics will stand out.

The purpose is clearly defined. The subject matter is comprehensive and was selected to meet the needs of a particular group. The method of presentation was designed to fulfill the defined purpose. The leaders were given training both in presentation and in the subject material. Written material was developed to support the interviews and group meetings. An unusual amount of attention has been given to timing so that both the amount and type of material are presented to the employee when he most needs it and can best understand it. Provision is made for follow up interviews that permit evaluation.

A conscious effort was obviously made to plan the procedure from the new employee's point of view. It is as if the executives, when they were doing the planning, had said to themselves: "What would a stranger here want to know, need to know, and how would he like to be received?" The induction procedure they adopted would indicate the answer they found to be something like the following: "First, he is a stranger. Everything in the first days should aim at making him feel that he is welcome. The attitude of those who talk to him

should be one of friendliness expressed through an understanding of the strangeness of the surroundings for him. We will let people talk with him informally, one at a time, in interviews spaced throughout the day. Someone should take him to lunch and introduce him to anyone they happen to meet. At the end of the first day we want him to go home and say to his wife, 'It's a swell place to work. There are a lot of good guys up there.' Second, he is a little confused by the newness of everything. Important information should be given two or three times in different forms. We will, for instance, be careful that the information in regard to wage payment is repeated several times by different people. Third, he is primarily interested in questions that are most important to his personal life. We will think about his needs first and then, when he is beginning to feel at ease, we will tell him about our company, our history, our industrial relations plans. During the first days we will think only about telling him how to get to work the cheapest way, where he can hang his clothes, how he is to be paid, what to do if he is sick. If we can make him feel, first of all, that we are thinking about his problems, that we are making his interests ours, he will be ready, when the time comes, to listen to our story and to make our interests his."

CONCLUSION

In the last analysis, no organization is ever faced with a choice as to whether or not the employee should receive information about his job, the company organization, its policies, its rules and its industrial relations program. In this there is no choice. Whether the company has a formal induction procedure or not, somebody is going to give the new employee all that information. The executives of an organization have the choice of deciding whether or not they wish to have a hand in controlling the accuracy of the information that is given and in selecting the men who are to explain the company to new arrivals.

To initiate a formal induction program is not the adoption of something new, but merely the application of intelligent planning to something that has always existed. Planned induction is designed to eliminate the false impressions, the inaccurate information, the misinterpretation of policies that result from a too casual introduction of a new employee to an organization that is new to him. Company experience would indicate that such planning pays dividends in terms of improved employee morale.

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Wartime Service and Personnel Policy

I. The Problem in the United States

WHEN WAR broke out in Europe last September, executives in this country who were charged with the administration of personnel policy considered new problems that might arise in employer-employee relations as a result of the conflict. Having passed through a series of crises in recent years, these executives naturally wanted to be prepared insofar as possible to anticipate actual situations that might develop.

There were obvious possibilities, such as a series of events leading from a wartime stimulation of industrial activity through an inflationary rise in prices to demands for higher wage scales. Labor difficulties of various kinds might be the result, in spite of the best

the colors or volunteering for war service. American companies having Canadian or European plants were immediately confronted with this problem. Some executives of companies that operated only in the United States looked ahead to possible eventualities. Of course, if this country should become involved in the war they would have to face the same problem, but even short of actual hostilities an emergency might arise in the United States that would result in calling out part or all of the National Guard and Reserve military and naval units, and executives in many companies knew that some of their employees were members of these organizations. What policies should the company adopt with regard to such employees?

TABLE 1: WORLD WAR COMPANY POLICIES RELATING TO EMPLOYEES LEAVING FOR WAR SERVICE

Company Policy	Companies	
	Number	Per Cent
Employees entering war service were, on termination of service:		
Assured reemployment at same job or one paying equal rate.....	65 ^a	34.1
Assured reemployment in some capacity.....	84 ^b	43.9
Regarded as having severed their connection with company.....	8	4.2
No definite policy.....	34	17.8
TOTAL.....	191	100.0
Employees' records for continuous service (seniority) were:		
Terminated when they left for war service.....	21 ^c	12.5
Continued unbroken except for deduction of time away from company.....	48	28.6
Continued unbroken, including war service as equivalent to company service.....	96	57.1
Each case handled individually.....	3	1.8
TOTAL.....	168	100.0
Employees in war service received from the company:		
No compensation.....	164	96.0
Difference between service pay and company pay.....	5 ^d	2.8
Fraction of difference between service pay and company pay:		
50% for those with dependents; 25% for those without.....	1	0.6
25%.....	1	0.6
TOTAL.....	171	100.0

^aIn 1 company, *key men* assured same job; others, equal job; in 7 companies, if possible to do so.

^bIn 1 company, if not incapacitated; in 1 company, if return within reasonable time after discharge; in 15 companies, if possible to do so.

^cTerminated, but if rehired after war, given credit for time in service.

^dIn 1 company, 6 months' previous service required; in 1 company, in some cases only.

efforts to arrive at equitable settlements. There were also more remote possibilities that might advantageously be considered at once, so that a policy might be decided upon in advance of the necessity of applying it.

One of the most important of the latter concerns company policy with regard to employees called to

A comparison of experience in the World War was sought, but it was found that there was a dearth of data concerning company policies of that period. Studies of personnel policy were seldom made at that time and no record existed of company practices during wartime. In the hope that even twenty years after

the World War it might be possible to reconstruct a picture of wartime company policy, THE CONFERENCE BOARD endeavored to obtain information from representative concerns with regard to how the problems created by employees leaving for war service had been treated. These companies were also asked to indicate what their policies would probably be should a similar emergency arise again, if they had given this matter consideration. Information was received from 199 companies employing about 915,000 persons.

STATUS OF EMPLOYEES WHO LEFT TO ENTER SERVICE DURING THE WORLD WAR

More than seventy-five per cent of the companies that could give information on this matter had assured reemployment to employees who left to enter the service in the World War. Of these, 44% gave such employees to understand that when they returned upon the termination of war service some place would be found for them in the organization, although until that time arrived the company could not tell what job could be offered to them. Another 34% went further and agreed either to give returning employees the same job previously held or another carrying as high a rate of compensation. In only about 4% of the companies was departure for war service regarded as definitely severing the employees' connection with the company. In 18% of the companies there was no definite policy on this point.

When employees who survived war service returned to the company, what would be their status? How would their record of service with the company be affected? Of course, seniority in its present strict sense was almost unknown in industry at that time, outside of a few highly unionized trades, but employees' length of service was important, particularly if the company had a pension plan or other benefits that were computed on a basis of length of service.

More than half (57.1%) of the reporting companies placed the most liberal interpretation on employees' war service. It was regarded, in effect, as detached service for the company, and if an employee returned to the company within a reasonable time after completion of war service no deduction was made for the time in the national service. His record for length of service with the company was carried on without a break. About 29% of the companies held an employee's service record in suspense during war service, and in case he returned to the company his service record was continued, the period of his absence from the company being deducted. One out of eight companies canceled an employee's service record with the company when he left to enter national service, and in the remaining three companies each case was handled individually. These policies were not always decided

on and announced in advance. In some cases there were progressive liberalizations of policy between the departure and the return of employees.

It was preponderantly the policy of industrial concerns not to continue an employee's compensation during war service, although there were a few exceptions to this general rule. While 96% of the reporting companies paid no compensation to workers in service, about 3% paid the difference between the employee's regular job pay and his service pay, and the remaining two companies paid a fraction of this difference.

Some companies, however, made special payments after the return of employees. One company paid a bonus of "several hundred dollars" to returned service men. Another paid to all such employees on the factory payroll at the close of 1920 bonuses ranging from \$50 to \$300, depending on length of service, and a month's pay to salaried employees. In another company returning employees received the payments from the profit-sharing plan that they would have received had they remained with the company. A fourth company paid to returning employees an amount computed on the basis of \$1 per day for each day of war service.

GROUP INSURANCE AND PENSION POLICY

Today industrial group life insurance is widely prevalent in the United States and several hundred old-age retirement or pension plans are carried on by companies. Any extended absence on military or naval service of employees in companies with such plans would raise difficult problems of their status under these plans, particularly since many are now on a contributory basis. During the World War plans of this character were much less common, and experience in dealing with the questions raised is therefore limited. A few companies have provided such information, however, and their policies are summarized in Table 2.

TABLE 2: COMPANY POLICY IN REGARD TO GROUP INSURANCE AND PENSION PLANS

Company Policy	Number of Companies
No insurance plan. Credit given for war service in pension plan.....	9 ^a
No insurance. Pension plan continued and deduction made for time in service, but continuity not broken..	2
Group insurance carried by company for men while in service.....	13 ^b
Insurance plan canceled—reinstated on return to work ..	9 ^c
Group insurance canceled	4 ^d
Company paid premiums on \$5,000 Government War Risk Insurance during entire length of service.....	1

^a In 1 company, only if reemployed before January 1, 1921.

^b In 4 companies, pension plan also continued.

^c In 3 companies, applies to pension plan also.

^d In 1 company, pension plan also dropped.

PRESENT ATTITUDE TOWARD FUTURE POLICY

It is neither premature nor jingoistic for the executives of a company to consider what its policy should be toward employees who may be called for national service in the event that this country should become involved in the war, or that a partial mobilization of armed forces were ordered. While earnestly hoping that the need for such action may never arise, responsible executives are wise to be prepared to deal with the eventuality. Policy determined calmly and dispassionately, when there is no immediate prospect of its being invoked, is more likely to represent the considered judgment of company executives than one hastily composed to meet a situation that has suddenly arisen.

Accordingly, companies were asked to indicate, in case they had given the matter thought, what their policies would probably be if employees were called into service during the present war. Any comments that might be made in this connection were understood to be purely tentative and to be subject to change at any time.

Most of the companies replied that they had given the matter no thought, but some comments were made. It was the expectation of twenty-eight companies that in case of need the policies obtaining in the last war would be followed. Seven companies would make every effort to reemploy former employees after their return from national service. In six companies employees' seniority records would be continued if the employees returned within a reasonable period after their discharge from national service. Four companies would carry on employees' group insurance policies during national service if this was permissible under their contracts with insurance companies. Several companies gave brief statements of their probable policy. These comments are reproduced below:

Our present policy with respect to officers and employees of this company who are members of the National Guard of any state is to make up any deficiency that may result in the earnings of such employee between the amount earned in military service and his regular monthly wage or earnings for not to exceed fifteen days in any one year when called for annual field training ordered or authorized by the proper military authorities, and when called for active service with the state in which they are members of the National Guard. It is not contemplated that any change will be made in this policy.

* * *

This company's probable policy would be: 1. Assure reemployment in some capacity; 2. Record for continuous service would be carried on as though he were working for the company; 3. No compensation while in service; 4. Would continue insurance policy while in service.

* * *

We would probably adopt the following policy: 1. Assure reemployment when national service terminated; 2. Contract permitting, we would probably continue in force group life insurance during military service.

* * *

No decision on policy if war is declared. To provide for those who are called for the extra field training which has been announced by the War Department, consideration is being given to extending military service rule for Summer camp training which provides for the difference between employees' normal earnings and government pay plus allowances. No definite decision has been reached. Consideration is also being given to applying the same policy in case employees who are members of the Reserve or National Guard are called to protect public works prior to declaration of hostilities. No decision has been reached on this matter.

* * *

We have adopted no policy and the question is merely in the discussion state. We would probably recommend to our Board something along the following lines to cover our procedure *prior to declaration of war*. (To guard our properties, etc.): 1. One month's full pay; 2. Pay during second month sufficient to make up any shortage between government pay and regular company pay; 3. Maintain eligibility to all company benefits first month and customary rights thereafter during period of authorized leave (90 to 180 days); 4. Service credit for first two months; 5. Take another look at the situation before 60 days expires.

If war is declared take another look at the entire program so as to make any changes which might be considered advisable. As stated above, the foregoing merely represents our preliminary thinking on this question. Our Board might or might not approve any of the proposals.

The following is an excerpt from the union agreement of one company:

In the event that any employees of the company coming under the terms of this agreement shall enter the armed forces of the country while a state of war exists, the company will return them to their respective positions and give them credit for seniority for the time spent in such military service, provided that such employees would under normal working conditions be then employed by the company and are not physically incapacitated to perform their usual work.

* * *

1. Our policy would be to return employees who went into the service to their original jobs or work of equal compensation when they returned, provided they were physically able to do the work; 2. We would not deduct the time in the service of the government from their company service records; 3. At this time we do not contemplate any plan of supplementary compensation; 4. We will continue to carry such employees on our group life insurance policy, but will not extend benefits under sickness, accident, hospitalization or surgical insurance.

* * *

In case it was necessary for the men in this country to enlist or be drafted in the Army or Navy service, this company would follow the same practice that it

followed during the last war; that is, their service records would continue on without any interruption in seniority rights, and if at all possible in every case the men will be given back their jobs upon their return at the rate of pay that is being paid for that job at that time. In addition, the company would also maintain the group insurance policy during the employee's leave of absence for military service, giving the employee full protection, at least as much as he had when he was working.

* * *

No final policy has been adopted, and our subsidiaries in countries at war will take account of the general policies prevailing in other industries. We would expect to offer reemployment, to maintain service records unbroken, with full credit for time absent, and to con-

tinue group life insurance coverage of some kind, at least for a period. We are still uncertain as to making any financial allowance to employees while in military service.

* * *

Employees of this company's Canadian plant who enter the military service of the Canadian Government will have their employment and pension service records protected during such military service if they apply for work within thirty days after being mustered out of government service. However, reemployment will be governed by business conditions at that time. Such employees as are members of the Employees' Benefits Association, who have had five years of continuous membership in the Association, may continue their memberships for death benefits only.

II. The Problem in the Dominion of Canada

COMPARISON OF CONDITIONS in the United States with those in Canada is frequently helpful because of the close similarity between the two countries ethnically, geographically, and in social and political ideals. Among the belligerents in the present war therefore, Canada is the one whose experience provides the closest parallel to conditions in the United States. This is particularly true because many United States companies operate plants in Canada.

The Industrial Relations Section of Queen's University, Kingston, Canada, has kept a record of announcements appearing in the press of the policies of Canadian companies with regard to employees who enter military service. Through the courtesy of the Section it is possible to present below a condensed summary of policies thus reported.

General Motors of Canada, Ltd.

"Employees of General Motors of Canada who sign up for active service will have their jobs held for them until they return." It was stated "any jobs that might be filled would be on a temporary basis only . . .

TABLE 3: SENIORITY AND OTHER BENEFIT PROVISIONS FOR EMPLOYEES ENLISTED IN CANADIAN WAR SERVICES

Employer's Policy	Total Companies	Industrial Group		
		Manufacturing	Non-Manufacturing	Governmental (civil)
Employees granted leave of absence..	70	20	26	24
Job seniority rights maintained.....	39	10	17	12
Pension rights continued or paid.....	21	2	12	7
Group Insurance continued by company	12	3	9	..
Company death benefits continued...	5	1	3	1
Company disability benefits continued.	3	..	1	2
Other benefits or privileges continued.	5	..	4	1

The policy applied to factory and office employees." (*Toronto Daily Star*, October 11, 1939)

Kelvinator of Canada, Ltd.

While in the army, navy or air force they (factory and branch employees of Kelvinator of Canada, Ltd.) will be considered on leave of absence. During that time the company will pay their regular life insurance premiums in the group insurance for them and if rates advance the company will stand the extra cost. When the employees are demobilized they will be immediately taken back to work. (*Winnipeg Free Press*, October 10, 1939)

Canadian Breweries, Ltd.

All employees of Canadian Breweries, Ltd., who enlist in any branch of the Canadian forces for active service, will find that their jobs will be waiting for them when they come back. The company has also agreed to carry on the pensions contributions for the men, and the group insurance policy which covers all employees will be maintained by the company. (*Toronto Daily Star*, October 5, 1939)

Shell Oil Company of Canada, Ltd.

An amount equal to the difference between his pay and allowances as a soldier and the salary he was receiving will be paid to each enlisting employee by the

TABLE 4: POLICY OF PAYING BONUS TO ENLISTING EMPLOYEES IN CANADA

Enlistment Bonus	Total Companies	Industrial Group		
		Manufacturing	Non-Manufacturing	Governmental (civil)
Two weeks' pay.....	1	..	..	1
One month's pay.....	16	1	8	7
Two months' pay.....	1	..	1	..
Bonus of \$50.....	1	..	..	1
TOTAL.....	19	1	9	9

TABLE 5: FINANCIAL ASSISTANCE TO CANADIAN EMPLOYEES DURING WAR SERVICE

Employer's Policy	Total Companies	Industrial Group		
		Manu- factur- ing	Non-Manu- factur- ing	Gov- ern- mental (civil)
Employees paid difference between salary and pay received from military service.....	14	4	6a	4
Paid difference if employee has dependents, but if no dependents, paid $\frac{2}{3}$ of difference.....	2	..	2	..
If no dependents, paid $\frac{3}{4}$ of difference	4	1	3	..
If no dependents, paid $\frac{1}{2}$ of difference	1	1	..	..
Paid difference if employee has dependents, but an amount not more than $\frac{1}{2}$ regular salary.....	2	..	2b	..
Paid \$25 per month to those with dependents; \$15 to single employees..	1	1	..	..
Some financial aid if needed—not definite.....	3	2	1	..
TOTAL.....	27	9	14	4

aIn 1 company, deductions are made for provident fund, and \$20.00 per month is held to be paid in lump sum on return.

bIn 1 company, payment of an allowance to those without dependents is discretionary.

Shell Oil Company of Canada. It was stated that there would be certain deductions from this to cover regular contributions to the provident fund, while \$20

a month will be accumulated by the company and paid to the employee in a lump sum after his return to civil life. Employees of more than one year's service who enlist will be considered as on leave of absence and thus will continue to accrue service to count towards pension. (*Toronto Daily Star*, October 11, 1939)

Jenkins Brothers, Ltd.

The policy of Jenkins Brothers, Ltd. with regard to those enlisting will be the same as was adopted during the last war, in that their positions will be held open for them and they will retain their seniority. (*Winnipeg Free Press*, October 14, 1939)

The Robert Simpson Company, Ltd.

Married men and single men with dependents entitled to separation allowance will receive a monthly sum to bring their total pay and allowances up to their present salary or average earnings. Single men with no dependents will have their army pay supplemented to the amount of three-quarters of their present earnings. A position comparable with their present work will be available to them on their return from service and their seniority will not be affected.

Shopping discount privileges as at present will be continued for them and their dependents.

Those employees previously covered by group insurance or members of our Profit Sharing Fund will have these benefits continued without any contributions during their period of service. Facilities will be provided to enable active servicemen to use our London and Paris Offices when Overseas. (Report from the Robert Simpson Company, Ltd., October 7, 1939)

Chronology of Events Affecting Labor Relations December, 1939

December

- 2 **Labor Organizations Not Exempt from Anti-Trust Prosecution**—In letter to William Green, Attorney General Murphy holds that Anti-Trust laws apply to labor organizations and their members as well as to other groups under rulings of Supreme Court, and that Department of Justice must proceed accordingly.
- 7 **Wider Discretion Left to Field Representatives**—Revised regulations of Wage-Hour Administration give greater latitude to field representatives to use their discretion in settlement of routine administrative questions instead of referring all matters to Washington. New policy expected to expedite administration of Act.
- 8 **Auto Union Bars Wildcat Strikes**—United Automobile Workers Union leaders in letter to local unions insist that unauthorized work stoppages must cease. Committee-men instructed to replace unauthorized strikers with temporary labor to avoid shutdown.
- 11 **Discrimination Before Employment Legal**—Federal Circuit Court of Appeals holds that discrimination against union members prior to their employment does not vio-

late National Labor Relations Act. Decision says "the purpose of the Act is not to compel an employer to hire members of one union rather than another or union men rather than non-union men." Decision overturns N.L.R.B. order.

N.L.R.B. Inquiry Opens—Congressional Committee appointed to investigate operation of Wagner Act holds first public hearing. Testimony indicates friction within N.L.R.B.

- 17 **C.I.O. Would Change Labor Act**—Although opposing all amendments to Wagner Act earlier in the year, C.I.O. announces suggested changes which include criminal penalties for violators of the provisions of the Act, prevention of government from awarding government contracts to any Act violator, and a provision to prevent N.L.R.B. from "carving up" any industrial unions.

- 20 **Important Decision Appealed**—Apex Hosiery Company petitions United States Circuit Court of Appeals to reconsider its decision reversing a judgment of \$711,932 against the American Federation of Hosiery Workers for damage done to company plant during strike.

Wages and the Cost of Living

MANUFACTURING ACTIVITY rose in November for the fourth consecutive month, according to the regular monthly survey of THE CONFERENCE BOARD in 25 manufacturing industries.

MAN HOURS WORKED

Total man hours worked increased 2.6% between October and November. This change was caused by increases in both employment and in the number of hours worked per week. Only nine of the 25 industries showed declines in the total man hours worked. The

greatest increases again occurred in the machinery industries: foundries, 12%; machines and machine tools, 10%; agricultural implements, 10%; and other foundry and machine shop products, 9%. A decrease in total man hours worked of 7.1% occurred in the automobile manufacturing industry.

EMPLOYMENT AND PAYROLLS

In November 2.4% more workers were employed than in October, and 14.5% more than in November, 1938, but 6.2% less than in the year 1929. Total payroll

EARNINGS AND HOURS, ALL WAGE EARNERS

NOVEMBER, 1939

INDUSTRY	Average Earnings				Average Hours per Week per Wage Earner			
	Hourly		Weekly		Actual		Nominal	
	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.
Agricultural implement.....	\$.801	\$.804	\$31.21	\$30.62	39.0	38.1	39.9	40.0
Automobile ¹.....	.952	.952	35.13	35.60	36.9	37.4	40.0	40.0
Boot and shoe.....	.538	.531	18.30	18.38	34.0	34.6	40.2	40.2
Chemical.....	.773	.762	30.91	30.55	40.0	40.1	40.1	40.1
Cotton—North.....	.496	.487	18.96	18.87	38.3	38.8	39.9	39.9
Electrical manufacturing.....	.788	.785	31.34	30.85	39.8	39.3	39.7	39.8
Furniture ².....	.657	.664	25.63	26.98	39.0	40.6	40.6	40.9
Hosiery and knit goods.....	.553	.554	20.45	20.83	37.0	37.6	40.0	40.1
Iron and steel ³.....	.847	.846	33.46	32.15	39.5	38.0	40.1	40.2
Leather tanning and finishing.....	.657	.660	25.64	26.08	39.0	39.5	40.1	40.2
Lumber and millwork.....	.688	.678	28.13	27.95	40.9	41.2	41.6	42.0
Meat packing.....	.690	.698	27.61	27.58	40.0	39.5	40.3	40.4
Paint and varnish.....	.723	.729	30.03	30.69	41.5	42.1	40.5	40.6
Paper and pulp.....	.645	.645	27.18	27.92	42.2	43.3	41.0	41.3
Paper products.....	.615	.610	24.96	25.35	40.6	41.5	40.3	40.3
Printing—book and job.....	.830	.823	32.64	32.51	39.3	39.5	40.1	40.1
Printing—news and magazine.....	.974	.977	36.21	36.17	37.2	37.0	39.6	39.6
Rubber.....	.867	.878	31.57	32.97	36.4	37.6	38.1	38.2
1. Rubber tires and tubes.....	1.012	1.019	35.64	38.34	35.2	37.6	37.2	37.4
2. Other rubber products.....	.694	.695	26.31	26.05	37.9	37.5	39.2	39.3
Silk.....	.521	.513	19.29	18.60	37.0	36.3	40.3	40.3
Wool.....	.598	.595	22.34	21.72	37.4	36.5	40.1	40.3
Foundries and machine shops.....	.750	.744	30.70	29.84	40.9	40.1	40.2	40.3
1. Foundries.....	.755	.752	29.72	28.78	39.3	38.3	40.2	40.4
2. Machines and machine tools.....	.766	.755	33.96	32.47	44.3	43.0	41.0	41.0
3. Heavy equipment.....	.781	.776	30.93	29.98	39.6	38.6	40.1	40.1
4. Hardware and small parts.....	.693	.693	28.46	28.44	41.1	41.0	40.3	40.4
5. Other products.....	.750	.743	30.16	29.34	40.2	39.5	39.8	39.8
25 INDUSTRIES.....	\$.727	\$.724	\$28.49	\$28.24	39.1	39.0	40.2	40.3
Cement.....	\$.692	\$.693	\$26.59	\$27.44	38.4	39.6	39.4	39.4
Petroleum refining.....	.978	.979	35.36	36.22	36.1	37.0	36.0	36.0
27 INDUSTRIES.....	\$.730	\$.727	\$28.56	\$28.33	39.1	39.0	40.2	40.3

NOTE: The wage data here given are for cash payments only and do not take into consideration the value of such wage equivalents as reduced or free house rents or other special services rendered by the company to employees. Various forms of wage equivalents are in use in industrial establishments in many localities, but the part which they play as compensation for work performed cannot be taken into account in a study of this character.

¹Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD. These data are not comparable with those published prior to January, 1939.

²Includes wood, metal, and upholstered household and office furniture.

³Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

CHANGES IN THE COST OF LIVING, NOVEMBER, 1939

Item	Relative Importance in Postwar Family Budget	Indexes, 1923=100			Percentage Changes	
		November, 1939	October, 1939	November, 1938	October, 1939 to November, 1939	November, 1938 to November, 1939
Food ¹	33	79.6	80.1	79.5	-0.6	+0.1
Housing.....	20	86.7	86.6	86.4	+0.1	+0.3
Clothing.....	12	72.9	72.6	73.2	+0.4	-0.4
Men's clothing.....		79.5	79.1	79.1	+0.5	+0.5
Women's clothing.....		66.2	66.1	67.3	+0.2	-1.6
Fuel and light.....	5	85.6	85.2	85.9	+0.5	-0.3
Coal.....		84.9	84.3	85.6	+0.7	-0.8
Gas and electricity.....		87.1	87.1	86.5	0	+0.7
Sundries.....	30	96.8	96.8	96.8	0	0
WEIGHTED AVERAGE OF ALL ITEMS..	100	85.7	85.8	85.6	-0.1	+0.1
PURCHASING VALUE OF DOLLAR....		116.7	116.6	116.8	+0.1	-0.1

¹Based on food price indexes of the United States Bureau of Labor Statistics, November 14, 1939, October 17, 1939, and November 15, 1938.

INDEXES OF EARNINGS, EMPLOYMENT, MAN HOURS, AND PAYROLLS, ALL WAGE EARNERS

NOVEMBER, 1939

1923=100

INDUSTRY	Average Earnings						Employment		Total Man Hours Worked		Payrolls	
	Hourly, Actual		Weekly									
			Actual		Real							
	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.
Agricultural implement.....	144.1	144.6	113.4	111.3	132.3	129.7	108.8	101.2	85.7	77.9	123.4	112.6
Automobile ¹	150.6	150.6	116.6	118.1	136.1	137.6	93.4	99.2	72.3	77.8	108.9	117.2
Boot and shoe.....	108.7	107.3	81.0	81.3	94.5	94.8	88.7	90.5	66.2	68.7	71.8	73.6
Chemical.....	152.8	150.6	114.9	113.5	134.1	132.3	122.2	119.5	91.9	90.1	140.4	135.6
Cotton—North.....	111.5	109.4	89.3	88.8	104.2	103.5	45.1	45.2	36.1	36.7	40.3	40.1
Electrical manufacturing.....	138.7	138.2	115.7	113.9	135.0	132.8	97.0	91.2	80.8	75.0	112.2	103.9
Furniture ²	127.1	128.4	102.8	108.2	120.0	126.1	87.0	85.7	70.4	72.2	89.4	92.7
Hosiery and knit goods.....	144.8	145.0	115.7	117.9	135.0	137.4	115.9	115.3	92.6	93.6	134.1	135.9
Iron and steel ³	142.1	141.9	97.8	94.0	114.1	109.6	115.6	112.0	79.2	73.8	113.1	105.3
Leather tanning and finishing.....	135.2	135.8	110.7	112.6	129.2	131.2	82.5	84.3	67.6	70.0	91.3	94.9
Lumber and millwork.....	145.5	143.3	120.1	119.3	140.1	139.0	69.7	69.0	57.6	57.4	83.7	82.3
Meat packing.....	145.9	147.6	117.3	117.2	136.9	136.6	106.2	99.4	85.5	79.0	124.6	116.5
Paint and varnish.....	135.4	136.5	113.0	115.5	131.9	134.6	133.9	130.9	111.5	110.6	151.3	151.2
Paper and pulp.....	128.0	128.0	104.2	107.1	121.6	124.8	114.1	112.0	93.0	93.6	118.9	120.0
Paper products.....	134.9	133.8	114.6	116.4	133.7	135.7	135.8	135.9	115.8	118.5	155.6	158.2
Printing—book and job.....	127.1	126.0	109.0	108.5	127.2	126.5	101.6	100.0	87.0	86.1	110.7	108.5
Printing—news and magazine.....	140.5	141.0	115.9	115.8	135.2	135.0	119.2	120.0	98.6	98.6	138.2	139.0
Rubber.....	138.5	140.3	112.6	117.6	131.4	137.1	80.0	78.3	65.0	65.7	90.1	92.1
Silk.....	105.0	103.4	83.8	80.8	97.8	94.2	98.4	96.4	78.3	75.3	82.5	77.9
Wool.....	118.4	117.8	93.2	90.6	108.8	105.6	85.3	80.9	67.1	62.1	79.5	73.3
Foundries and machine shops.....	130.9	129.8	108.2	105.2	126.3	122.6	95.4	89.7	78.7	72.5	103.2	94.4
1. Foundries.....	128.0	127.5	100.4	97.2	117.2	113.3	74.0	67.7	57.9	51.7	74.3	65.8
2. Machines and machine tools.....	139.5	137.5	124.4	118.9	145.2	138.6	106.6	100.0	94.9	86.3	132.6	118.9
3. Heavy equipment.....	116.6	115.8	93.7	90.8	109.3	105.8	63.3	61.1	50.8	47.8	59.3	55.5
4. Hardware and small parts.....	135.4	135.4	114.7	114.6	133.8	133.6	117.1	111.1	99.2	93.9	134.3	127.3
5. Other products.....	133.9	132.7	110.4	107.4	128.8	125.2	112.3	104.9	92.5	84.9	124.0	112.7
25 INDUSTRIES.....	134.4	133.8	107.1	106.1	125.0	123.7	94.7	92.5	75.3	73.4	101.4	98.1

NOTE: No basic 1923 data are available, hence no indexes are given for the following: rubber tires and tubes, other rubber products, cement, petroleum refining, and "27 industries."

¹Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD. These data are not comparable with those published prior to January, 1939.

²Includes wood, metal, and upholstered household and office furniture.

³Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

disbursements were 3.4% higher in November than in October, 24.4% higher than in November, 1938, but 6.5% lower than in 1929. The greatest increases were reported in foundries, where employment rose 9.3%, payrolls 12.9%.

HOURLY EARNINGS

Hourly earnings were 72.7 cents in November as compared with 72.4 in October, an increase of 0.4%. They were 1.8% higher than in November, 1938, and 23.2% higher than in 1929.

AVERAGE WORK WEEK

The average number of hours worked per week rose from 39.0 in October to 39.1 in November, an increase

of 0.3%. The work week was 2.4 hours higher than in November, 1938, an increase of 6.5%, but 9.2 hours or 19.0% lower than in 1929. Of the 25 industries, 12 showed increases in the number of hours worked, but these advances occurred in the industries employing the greatest number of wage earners. The work week in the iron and steel industry increased from 38.0 to 39.5 hours and in the machines and machine tools industry hours advanced from 43.0 to 44.3.

AVERAGE WEEKLY EARNINGS

Average weekly earnings in November were \$28.49 as compared with \$28.24 in October, an increase of 0.9%. They were 8.7% higher than in November, 1938, and only 0.2% lower than in 1929. Real weekly earnings

EARNINGS AND HOURS, ALL MALE AND FEMALE WAGE EARNERS

NOVEMBER, 1939

INDUSTRY	ALL MALE						FEMALE					
	Average Earnings				Average Hours per Week per Wage Earner		Average Earnings				Average Hours per Week per Wage Earner	
	Hourly		Weekly				Hourly		Weekly			
	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.
Agricultural implement.....	\$.806	\$.809	\$31.39	\$30.82	39.0	38.1	\$.563	\$.554	\$22.01	\$20.65	39.1	37.3
Automobile ¹.....	.963	.963	35.53	36.02	36.9	37.4	.695	.692	25.09	25.53	36.1	36.9
Boot and shoe.....	.597	.593	20.64	20.79	34.6	35.1	.440	.432	14.28	14.33	32.4	33.2
Chemical.....	.805	.795	32.19	31.89	40.0	40.1	.551	.541	21.51	21.16	39.0	39.1
Cotton—North.....	.542	.532	21.58	21.45	39.9	40.3	.432	.421	15.64	15.43	36.2	36.7
Electrical manufacturing.....	.847	.846	34.05	33.54	40.2	39.6	.557	.555	21.36	21.11	38.3	38.1
Furniture ².....	.668	.675	26.12	27.54	39.1	40.8	.480	.484	17.86	18.34	37.2	37.9
Hosiery and knit goods.....	.688	.694	26.83	27.96	39.0	40.3	.446	.443	15.93	16.19	35.8	36.5
Iron and steel ³.....	.847	.846	33.46	32.15	39.5	38.0	....	....	....	....	....	....
Leather tanning and finishing.....	.683	.688	26.75	27.32	39.2	39.7	.491	.487	18.72	18.65	38.1	38.3
Lumber and millwork.....	.688	.678	28.13	27.95	40.9	41.2	....	....	....	....	....	....
Meat packing.....	.718	.726	28.91	28.85	40.3	39.8	.535	.539	20.69	20.51	38.7	38.0
Paint and varnish.....	.735	.742	30.65	31.46	41.7	42.4	.527	.529	19.97	19.52	37.9	36.9
Paper and pulp.....	.663	.662	28.04	28.77	42.3	43.4	.431	.433	16.93	17.72	39.2	40.9
Paper products.....	.683	.679	28.29	28.70	41.4	42.3	.455	.453	17.69	18.08	38.9	39.9
Printing—book and job.....	.922	.916	37.55	37.40	40.7	40.9	.517	.516	18.79	18.88	36.3	36.6
Printing—news and magazine.....	1.026	1.028	38.27	38.35	37.3	37.3	.577	.581	20.80	20.28	36.0	34.9
Rubber.....	.962	.971	34.99	36.86	36.4	38.0	.578	.581	20.88	20.89	36.1	36.0
1. Rubber tires and tubes.....	1.050	1.060	37.37	40.15	35.6	37.9	.721	.723	23.56	25.73	32.7	35.6
2. Other rubber products.....	.803	.803	30.44	30.56	37.9	38.1	.527	.524	19.78	18.91	37.5	36.1
Silk.....	.592	.581	22.00	21.24	37.2	36.6	.396	.390	14.56	13.93	36.7	35.7
Wool.....	.647	.643	24.92	24.17	38.5	37.6	.512	.506	18.23	17.47	35.6	34.5
Foundries and machine shops.....	.770	.763	31.64	30.72	41.1	40.3	.492	.488	19.09	18.76	38.8	38.5
1. Foundries.....	.759	.755	29.96	29.00	39.4	38.4	.557	.570	20.36	20.75	36.6	36.4
2. Machines and machine tools.....	.772	.760	34.26	32.77	44.4	43.1	.513	.508	21.58	19.94	42.1	39.2
3. Heavy equipment.....	.781	.776	30.93	29.98	39.6	38.6	....	....	....	....	....	....
4. Hardware and small parts.....	.730	.729	30.22	30.16	41.4	41.4	.474	.475	18.59	18.65	39.2	39.2
5. Other products.....	.786	.779	31.85	30.93	40.5	39.7	.498	.488	19.04	18.56	38.3	38.0
25 INDUSTRIES.....	\$.772	\$.769	\$30.57	\$30.30	39.7	39.5	\$.482	\$.478	\$17.56	\$17.42	36.4	36.4
Cement.....	\$.692	\$.693	\$26.59	\$27.44	38.4	39.6	....	....	....	....	....	....
Petroleum refining.....	.978	.979	35.36	36.22	36.1	37.0	....	....	....	....	....	....
27 INDUSTRIES.....	\$.775	\$.771	\$30.62	\$30.37	39.6	39.5	....	....	....	....	....	....

¹Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD. These data are not comparable with those published prior to January, 1939.

²Includes wood, metal, and upholstered household and office furniture.

³Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

EARNINGS AND HOURS, UNSKILLED AND SKILLED AND SEMISKILLED MALE WAGE EARNERS

NOVEMBER, 1939

INDUSTRY	UNSKILLED						SKILLED AND SEMISKILLED					
	Average Earnings				Average Hours per Week per Wage Earner		Average Earnings				Average Hours per Week per Wage Earner	
	Hourly		Weekly				Hourly		Weekly			
	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.	Nov.	Oct.
Agricultural implement.....	\$.664	\$.663	\$25.60	\$24.72	38.6	37.3	\$.826	\$.829	\$32.23	\$31.66	39.0	38.2
Automobile ¹.....	.799	.807	29.16	30.42	36.5	37.7	.972	.971	35.87	36.32	36.9	37.4
Boot and shoe.....	.440	.437	17.12	17.65	38.9	40.4	.604	.600	20.78	20.94	34.4	34.9
Chemical.....	.705	.698	27.79	28.40	39.4	40.7	.842	.833	33.87	33.22	40.2	39.9
Cotton—North.....	.496	.484	20.05	19.65	40.4	40.6	.560	.551	22.18	22.17	39.6	40.2
Electrical manufacturing.....	.670	.674	26.40	26.02	39.4	38.6	.867	.865	34.94	34.34	40.3	39.7
Furniture ².....	.545	.547	21.80	23.03	40.0	42.1	.699	.707	27.19	28.63	38.9	40.5
Hosiery and knit goods.....	.467	.463	19.35	19.54	41.5	42.2	.706	.713	27.41	28.60	38.8	40.1
Iron and steel ³.....	.646	.640	24.81	23.68	38.4	37.0	.882	.882	35.02	33.69	39.7	38.2
Leather tanning and finishing.....	.573	.573	22.40	21.97	39.1	38.3	.707	.711	27.73	28.45	39.2	40.0
Lumber and millwork.....	.488	.487	20.34	20.66	41.7	42.5	.761	.752	31.04	30.81	40.8	41.0
Meat packing.....	.622	.626	25.00	25.01	40.2	40.0	.771	.777	31.07	30.81	40.3	39.6
Paint and varnish.....	.626	.630	26.42	26.59	42.2	42.2	.794	.803	32.95	34.13	41.5	42.5
Paper and pulp.....	.549	.544	22.29	22.92	40.6	42.2	.704	.705	30.20	30.95	42.9	43.9
Paper products.....	.542	.537	22.54	23.18	41.6	43.1	.743	.741	30.71	31.07	41.3	41.9
Printing—book and job.....	.548	.543	23.33	23.49	42.6	43.3	1.031	1.021	41.46	41.07	40.2	40.2
Printing—news and magazine.....	.621	.627	22.25	21.97	35.8	35.0	1.114	1.116	41.97	42.24	37.7	37.8
Rubber.....	.670	.671	24.21	24.80	36.1	37.0	.970	.980	35.31	37.22	36.4	38.0
1. Rubber tires and tubes.....	.766	.768	27.29	27.42	35.6	35.7	1.057	1.066	37.61	40.46	35.6	37.9
2. Other rubber products.....	.568	.568	20.82	21.80	36.7	38.4	.812	.812	30.84	30.92	38.0	38.1
Wool.....	.531	.528	20.41	20.02	38.4	37.9	.706	.704	27.18	26.33	38.5	37.4
Foundries and machine shops.....	.651	.640	26.78	25.50	41.1	39.8	.793	.786	32.62	31.73	41.1	40.4
1. Foundries.....	.634	.623	25.68	24.38	40.5	39.1	.814	.810	31.76	30.86	39.0	38.1
2. Machines and machine tools.....	.591	.585	25.55	24.59	43.2	42.0	.789	.776	35.33	33.80	44.8	43.5
3. Heavy equipment.....	.624	.612	25.14	23.74	40.3	38.8	.809	.802	31.98	30.98	39.5	38.6
4. Hardware and small parts.....	.600	.601	24.30	24.50	40.5	40.8	.744	.743	31.12	30.99	41.8	41.7
5. Other products.....	.728	.714	30.17	28.22	41.5	39.5	.800	.793	32.23	31.52	40.3	39.8
24 INDUSTRIES ⁴	\$.605	\$.601	\$24.19	\$23.98	40.1	40.1	\$.814	\$.811	\$32.21	\$31.93	39.6	39.4
Cement.....	\$.583	\$.591	\$22.01	\$22.60	37.8	38.3	\$.714	\$.714	\$27.55	\$28.43	38.6	39.8
Petroleum refining.....	.700	.699	25.48	25.93	36.4	37.1	1.027	1.028	37.07	38.04	36.1	37.0
26 INDUSTRIES ⁴	\$.605	\$.601	\$24.18	\$23.99	40.1	40.1	\$.817	\$.814	\$32.26	\$32.01	39.5	39.4

¹Based on data collected by the Automobile Manufacturers Association and THE CONFERENCE BOARD. These data are not comparable to those published prior to January, 1939.

²Includes wood, metal, and upholstered household and office furniture.

³Based on data collected by the American Iron and Steel Institute and THE CONFERENCE BOARD.

⁴Silk industry not included, as adequate data for unskilled and skilled groups are not available for this industry.

(i. e., weekly earnings adjusted for changes in the cost of living) established a new high level for the second consecutive month, reaching 125.0, because of the increase in weekly earnings and the decrease in cost of living. They were 1.1% higher than in October, 8.6% higher than November, 1938, and 16.6% higher than 1929.

COST OF LIVING

THE CONFERENCE BOARD index of the cost of living of wage earners was 85.7 (1923=100) in November as compared with 85.8 in October, a decrease of 0.1%.

Reduced food prices were the cause of this decline. All the other items of a wage earner's budget increased in cost during this period. Living costs in November were 0.1% higher than in November, 1938, 19.5% higher than the low point in 1933, but 14.4% lower than the average of the year 1929.

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